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Programme, the United Nations
Population Fund and the United
Nations Office for Project Services**

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**Report of the annual session 2016
(6 to 10 June 2016, New York)**

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I. Organizational matters

1. The annual session 2016 of the Executive Board of UNDP, UNFPA and UNOPS was held at the United Nations headquarters in New York from 6 to 10 June 2016.
2. The Executive Board approved the agenda and workplan for its annual session 2016 (DP/2016/L.2), and approved the report of the first regular session 2016 (DP/2016/7).
3. Decisions adopted by the Executive Board at the annual session 2016 appeared in document DP/2016/19, which was available on the Executive Board website.
4. The Executive Board agreed in decision 2016/15 to the following schedule for future sessions of the Executive Board in 2016:

Second regular session 2016: 6 to 9 September 2016

UNDP segment

II. Statement by the Administrator and annual report of the Administrator

5. In her opening remarks to the Executive Board (available on the Executive Board website), the Administrator highlighted important developments for UNDP in early 2016, notably its participation in the World Humanitarian Summit and signing of the Commitment to Action for the 2030 Agenda for Sustainable Development to 'leave no one behind'. She noted that in April 2016 UNDP was for the second year recognized as the world's most transparent aid organization. As part of her statement, she presented the integrated annual report for 2015 and the midterm review of the UNDP strategic plan, 2014-2017 (DP/2016/9 and annexes).

6. The Administrator informed the Board that the midterm review of the strategic plan, 2014-2017, had found that, two years into implementation, UNDP had made solid progress in results delivery. Furthermore, the organization was now more robust, open and transparent, better organized following restructuring, operating at lower cost, with more staff and services in regions, higher standards for programmes and projects and better monitoring and evaluation. The review found that the strategic plan was aligned with the 2030 Agenda. More attention would be needed, however, to better understand the link between resources and results and build on existing achievements to promote more transformative roles for women. The midterm review of the institutional component of the integrated budget, 2014-2017, showed significant progress toward achieving objectives, despite reduced contributions to regular (core) resources. Although the drop in core had affected programmatic and institutional components, UNDP had protected core allocations for programme countries, United Nations coordination activities, the Human Development Report Office and the United Nations Office for South-South Cooperation (UNOSSC). The Administrator highlighted that increasing core was a top UNDP priority.

7. The Administrator touched on UNDP crisis and disaster support work in the Central African Republic, Ecuador, Iraq, Jordan, Lebanon, Libya, Somalia, South Sudan, the Syria Arab Republic and Yemen, and its response to mitigate effects of the El Niño weather pattern. Reaffirming UNDP commitment to hosting UNOSSC, she confirmed that steps were being taken to implement all recommendations from the recent audit. Similarly, the revised evaluation policy, to be submitted at the second regular session 2016, would bolster the quality and utility of evaluations and introduce a funding target for the evaluation function. Further, on UNDP coordination leadership, she looked forward to Member States upholding UNDP stewardship of the resident coordinator system in the 2016 quadrennial comprehensive policy review and securing funding so the system could carry out its mandate.

8. Board members affirmed that UNDP had a central role to play in ensuring development impact, notably regarding the 2030 Agenda. Delegations were pleased with the alignment of the strategic plan with the 2030 Agenda, the Sustainable Development Goals and the quadrennial review. They showed strong support for the United Nations Development Group (UNDG)'s mainstreaming, acceleration and policy support (MAPS) approach to driving the 2030 Agenda and UNDP leadership in that area.
9. Board members were pleased with the mid-term review progress report, commending efforts toward establishing a robust reporting system and effective result-based management. They welcomed the review's evidence showing that UNDP was on track in achieving most outcome targets. They acknowledged the structural improvements that led to progress, and the organization's consistent ranking as the world's most transparent aid organization. They noted that those successes were especially welcome given the economic uncertainty, environmental threats and protracted crises.
10. While commending UNDP for its strong gender performance, Member States drew attention to shortcomings in women's empowerment, social protection, gender mainstreaming and gender marker targets. They expected UNDP to show greater corporate flexibility and transparency by taking concrete steps to improve human resources, programme analysis and delivery, monitoring and evaluation, risk management, and more robust controls and assurance processes. They encouraged UNDP to seek out common procurement, human resources and financial management arrangements with United Nations organizations. While commending UNDP for its strong oversight function, they called for a review of monitoring and evaluation functions and tools related to the integrated results and resources framework for greater credibility and accountability.
11. Delegations, welcoming the organization's work in crisis and early recovery, made the point that poverty eradication had to remain the cornerstone of its mandate, including helping countries to mitigate the impact of climate change. Respecting national ownership and nationally defined priorities was key, along with UNDP fostering of South-South cooperation, including with the private sector, through its South-South cooperation strategic plan and by hosting UNOSSC. Delegations drew attention to the special needs of small countries and small-island developing states (SIDS), many of which had graduated to middle income status, for whom the success of the 2030 Agenda was linked to recent agreements on climate change (Paris), disaster risk reduction (Sendai) and SIDS (Samoa). They stressed the importance of promoting regional programmes grounded in strong partnerships, which it hoped funding gaps would not jeopardize.
12. Across the board, delegations expressed continued concern with the core/non-core resources imbalance. They stressed the importance of predictable, flexible, high quality funding to achieve the ambitious strategic plan, and encouraged UNDP to continue to diversify its funding base and adjust its business model to sustain finances. They called on UNDP to improve cost recovery, urging partners to fulfil official development assistance commitments. They welcomed the new funding windows but stressed they would not rectify the core/non-core imbalance. The concern over reduced core funding to middle income countries (MICs) was raised, along with the call for UNDP to recognize the entrenched inequalities and disparities in MICs that demanded ongoing UNDP presence.
13. Board members strongly supported UNDP stewardship of the resident coordinator system, a key tool for driving results. They underlined the important UNDP leadership role in building coherence and coordination in the development-humanitarian nexus in partnership with United Nations organizations.
14. In response, the Administrator assured Board members that poverty eradication remained at the heart of UNDP work. In supporting programme countries in implementing the 2030 Agenda, UNDP was committed to assisting the least developed countries and the SIDS,

especially in integrating the humanitarian-development nexus and tackling climate change, while addressing MIC special needs. UNDP was working through the MAPS approach, grounded in national demand and ownership. While pleased with the results of the midterm review, she cautioned against the continued drop in core resources and its potential impact on delivery, despite efforts to adjust the organization's business model. She reiterated UNDP resolve to implement all audit recommendations for UNOSSC and UNDP, and its commitment to accelerate progress on gender and women's empowerment, making women agents of change. She highlighted the notable upward trend in gender parity within the organization.

15. The Executive Board adopted decision 2016/4: Midterm review of the UNDP strategic plan, 2014-2017, and annual report of the Administrator.

III. Financial, budgetary and administrative matters

16. The Associate Administrator, UNDP, presented the midterm review of the UNDP integrated budget, 2014-2017 (DP/2016/10).

17. Board members welcomed the results of the midterm review of the integrated budget and commended UNDP, amid the challenging financial situation, for shielding certain budget items the Board sought to protect on development effectiveness and support to United Nations coordination. They welcomed the reduced amount of core resources allocated to the budget's institutional components, thanks mainly to structural changes. However, they noted that protecting certain budget lines had forced UNDP to scale down activities in areas such as gender mainstreaming. Delegations sought management's thoughts on the impact of reduced funding on development effectiveness, and requested alternative options to finance or reorganize services UNDP had to scale down.

18. Delegations stressed that core resources should not subsidize the cost of programmes funded by non-core resources. They were encouraged that UNDP had exceeded its compliance level with its new general management support cost-recovery policy. They were concerned however that UNDP had to overspend more cost-recovery income on development effectiveness activities than originally planned. They looked forward to continuing discussions at the second regular session 2016, encouraging UNDP to fully implement its cost recovery policy. On results-based budgeting, delegations would have liked to see more ample information and deeper narrative analysis, and noted the funding shortfall after two years, despite Board agreement in 2013 on funding the seven development outcomes. They encouraged UNDP to analyse its experience with that approach.

19. Turning to the four-year updated resource plan, delegations wished to know how the budget reduction for programme might affect outcomes, and how UNDP would make allocation adjustments to offset that reduction. They sought a coherent rationale linking resource allocation to programme performance, which involved improving the integrated results and resources framework. Noting that the available aggregated budget information for 2016-2017 had been merged with figures for 2014-2015, Board members would have preferred a juxtaposition of the two planning periods for better clarity. One delegation underlined the importance of complying with the three pillars of the integrated budget, taking into account resources for country offices and United Nations coordination. Additional details were sought on the adjustment to the cost recovery approach. Delegations reiterated their request for a breakdown of information, especially for resource allocations to the Office of Audit and Oversight, Ethics Office and Evaluation Office. Delegations expected UNDP allocations for resident coordinator system support to be guided by the 2016 quadrennial review and relevant UNDG cost-sharing experiences.

20. In response, the Deputy Chief Financial Officer, UNDP, reiterated that despite the difficult financial situation UNDP had exceeded targets set in the integrated budget, thanks largely to

structural changes. UNDP was taking concrete steps to redress its financial situation, reducing management costs and improving efficiency and effectiveness. On cost recovery, the organization had made good progress, although he underlined the request to extend transition measures so that UNDP could take further steps before the current programme cycle ended. On transparency, UNDP was ready to respond to Board requests for information with breakdowns. On the integrated results and resource framework targets and resource allocation, UNDP had done well but remained constrained by earmarking and core funding reduction. The four funding windows offered an opportunity for greater flexibility.

21. The Director, Bureau of Management, UNDP, highlighted that while UNDP was adjusting its business model to the drop in core, the funding reduction hindered it from acting with strategic intent and limited its ability to address areas of the strategic plan, owing to earmarked funding. As a result, UNDP was mapping demand for its services for the subsequent two years.

22. The Associate Administrator, UNDP, noted on the issues of results-based management and fragmented information that UNDP was ready to provide detailed information to Board members, including on ethics and audit.

23. The Board adopted decision 2016/5: Midterm review of the UNDP integrated budget, 2014-2017.

IV. Gender in UNDP

24. The Director, Bureau for Programme and Policy Support, UNDP, presented the annual report of the Administrator on the implementation of the UNDP gender equality strategy in 2015 (DP/2016/11).

25. Board members were pleased with UNDP progress and resolve to advance gender equality corporately and programmatically. They recognized successes in women's economic empowerment, political participation and gender-based violence, and the higher number of country offices reporting gender equality results. They were pleased with the tools and institutional arrangements that bolstered UNDP gender equality efforts. They welcomed collaboration with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), and sought details of UNDP plans to strengthen that partnership, in light of the Flagship Initiative. They encouraged UNDP to expand collaboration with United Nations organizations based on comparative advantages, and called for a UNDP progress report on implementation of the System-wide Action Plan on Gender Equality and the Empowerment of Women. They welcomed progress on workforce gender balance, while stressing the need to support women in leadership roles.

26. Delegations welcomed the shift towards transformative actions where women and girls were agents of change, which required deeper quantitative analysis and staff capacities. They were concerned that funding constraints were disproportionately impacting UNDP gender architecture. They asked if UNDP was on track to meet its gender equality expenditures target, given the 2015 increase, and sought details on actions UNDP was taking to accelerate performance. They welcomed the shift to fund longer-term initiatives for gender results, while highlighting that the report did not mention the importance of involving men and boys in gender equality activities. They were pleased with UNDP actions on the Independent Evaluation Office's recommendations and its contribution to gender equality, and looked forward to progress in 2016. They agreed with the need to integrate the gender equality strategy and the strategic plan in 2018, but felt the gender strategy should include concrete plans and targets for operationalization. Delegations echoed similar points, highlighting that women and children had to be agents of change, not just beneficiaries, and welcomed that UNDP was the leader of the gender action plan and engaged in sector-wide approaches (SWAP).

27. In response, the Director, Bureau for Programme and Policy Support, UNDP, underscored that the UNDP capacity building approach focused on building partners' capacity at national level. He noted that Goal 5, and Agenda 2030, stood at the centre of the organization's work, with the understanding that women were development leaders. UNDP was proud to lead joint efforts on SWAP to ensure progress on gender equality. On programme budget, UNDP aimed to spend at least 15 per cent on gender in programmes, especially those related to post-crisis; the gender team was involved in UNDP programmes where gender was an important or main objective. On quality programming tools, social and environmental safeguards included quality criteria to mainstream gender equality throughout country programmes. UNDP was committed to better results, taking concrete steps to build its UNDP institutional capacity for gender. UNDP sought to complement country office capacity so they had a strong gender component. Particular areas that required improvement included disaster risk reduction, post-crisis, recovery and environment. UNDP was keen to work with men and boys on gender equality, which was already underway in more innovative country offices. He stressed the importance of partnerships, especially with UN-Women, UNFPA and the United Nations Children's Fund (UNICEF), and highlighted that UNDP actively promoted women from underrepresented countries to senior management posts.

28. The Executive Board was presented with the annual report of the Administrator on the implementation of the UNDP gender equality strategy, 2014-2017 (DP/2016/11).

V. Human Development Report

29. The Director, Human Development Report Office, gave an oral report on consultations for the development of the Human Development Report 2016 in accordance with General Assembly resolution 57/264.

30. Board members commended the office for the consultation process, and underlined the importance of the Human Development Report. One delegation stressed the importance of data presented as evidence-based and objective, and that consultations with Member States could be deepened. Another delegation requested details on the status of regional consultations, and requested information on the schedule of consultations with Member States, how and when to respond, and whether there would be a further elaborated concept note. Highlighting that its Government was chairing the Statistical Commission, the delegation sought clarification on its coordination role in preparing the Human Development Report and level of consistency between the report's indicators and those developed nationally.

31. The Director, Human Development Report Office, underscored that the office aimed to ensure that report's data was as evidence-based and objective as possible. He noted that there were issues with data at national and global levels, and that the process of improving data was ongoing. The office looked forward to building on the work of the Secretary-General's Independent Expert Advisory Group on a Data Revolution for Sustainable Development. The office gave consideration to non-official data and related research, such as real-time and big data. He concurred that consultations with Member States could be deepened, noting that bilateral dialogue proved particularly enriching. The office sought to use the launch of the regional human development reports to engage in consultations, while bilateral consultations continued on various issues, including innovative policies and South-South cooperation. The office would consult with the Board and provide more detailed documentation once the report was developed further.

32. The Executive Board took note of the oral report on consultations regarding the Human Development Report 2016.

VI. UNDP country programmes and related matters

33. The Associate Administrator, UNDP, introduced the item and presented the country programme documents for Mauritius and for South Sudan, the first one-year extensions of the country programmes for Burundi, Cape Verde, Central African Republic, Gabon and Mauritania from 1 January to 31 December 2017, the second one-year extensions of the country programmes for Burkina Faso and Yemen from 1 January to 31 December 2017, and the two-year extension of the country programme for Senegal from 1 January 2017 to 31 December 2018. In turn, the Deputy Director, Regional Bureau for Africa, presented more detailed information on the country programme documents and the extensions from the regional perspectives.

34. Following discussions, the Executive Board reviewed and approved, in accordance with its decision 2014/7, the country programme document for Mauritius (DP/DCP/MUS/4), and the country programme document for South Sudan (DP/DCP/SSD/2).

35. The Executive Board took note of the first one-year extensions of the country programmes for Burundi, Cape Verde, Central African Republic, Gabon and Mauritania from 1 January to 31 December 2017, as contained in document DP/2016/12.

36. The Executive Board approved the second one-year extensions of the country programmes for Burkina Faso and Yemen from 1 January to 31 December 2017, as well as the two-year extension of the country programme for Senegal from 1 January 2017 to 31 December 2018, as contained in document DP/2016/12.

VII. Evaluation

37. The Director, Independent Evaluation Office (IEO), UNDP, presented the annual report on evaluation (DP/2016/13), and the Director, Bureau for Programme and Policy Support, UNDP, gave the management response.

38. Board members welcomed the report, especially the thematic evaluation of the UNDP contribution to gender mainstreaming and women's empowerment, which made much progress. They encouraged UNDP to implement the evaluation's recommendations, especially prioritizing and resourcing gender work for transformative impact. They noted country-level progress aligning country programmes with national priorities, including in middle-income countries, yet indicated that UNDP structural dependence on two funding sources in some countries raised questions about programme relevance. Delegations encouraged UNDP to draw lessons from country programmes where lack of coherent long-term development and exit strategies hindered transformative results.

39. Welcoming UNDP coordination and efficiency in Delivering-as-One, delegations highlighted that implementation mechanisms needed improvement to avoid fragmentation. They wished to see more joint capacity-building collaboration among agency evaluation offices, sought details on IEO capacity-building efforts at country level, and welcomed UNDP work with EvalLink. They encouraged IEO to pay closer attention to the link between data production and country office use. They appreciated the number of decentralized evaluations and management responses, but noted completion and compliance rates were low. They encouraged UNDP to use evaluations and data to improve corporate strategies and institutionalize them better. The management response tracking system was a good tool for that and should be strengthened. They stressed the importance of the independent system-wide evaluation for the Agenda 2030, and urged United Nations organizations to collaborate to ensure its resourcing and institutionalization. They sought an update on UNDP evaluation culture and constraints, while stressing the importance of UNDP continued presence in MICs.

40. In response, the Director, Bureau for Programme and Policy Support, UNDP, highlighted that UNDP implemented evaluation recommendations using the gender seal and the gender analysis tool to measure progress. On resource dependency, UNDP funding resources were varied, abundant, transparent, untied, grounded in national ownership and did not constitute an impediment to delivering transformative actions. The organization's funding-to-transformation ratio remained the highest in the United Nations. On the evaluation-learning link, the restructuring of the Evaluation Resource Centre made it possible to generate lessons from evaluations. Greater resource stability and a revised evaluation policy would help to improve delivery. UNDP embraced evaluation as an invaluable tool, and was strongly committed to working in and addressing the unique needs of MICs.

41. The Director, Independent Evaluation Office, UNDP, confirmed that *structural dependence* on a few funding sources limited UNDP autonomy and scope, a situation linked to core/non-core imbalance. He stressed that more could be done on *capacity building* for evaluation and evaluators; IEO planned to focus more on capacity building to meet growing demand. Given the importance of country-level evaluations, the office sought to refine its capacities. *Delivering-as-One* likewise posed a unique evaluation challenge owing to its joint nature and varied agency evaluation approaches; such efforts worked better through common offices. On the *assessment of development results*, improvements and IEO efforts to ensure those evaluations informed country programme design; the office would submit its strategic position on the issue in future. The uptake in recommendations served as proof that *evaluation culture* in UNDP had improved. On *decentralized evaluations*, the office was working with UNDP in designing a revised assessment system to measure performance.

42. The Evaluation Advisor, Independent Evaluation Office, UNDP, highlighted that IEO was working with UNDP to address quality assessment issues for decentralized evaluations. IEO now went beyond desk reviews to engage with country offices in providing feedback on decentralized evaluations' quality. UNDP would begin reinvigorating the roster of evaluation experts, while the restructuring of the Evaluation Resource Centre helped to cull lessons from decentralized evaluations. UNDP and IEO would engage with regional and country offices in designing guidance on decentralized evaluations.

43. The Executive Board adopted decision 2016/6: Annual report on evaluation (UNDP).

VIII. United Nations Capital Development Fund

44. The Executive Secretary, UNCDF, presented the integrated annual report on results for 2015 and the midterm review of the strategic framework, 2014-2017 (DP/2016/14).

45. Board members welcomed the Fund's excellent performance in 2015. They observed that the three key elements of the Addis Ababa Action Agenda – mobilizing domestic resources, private finance and official development assistance for the Sustainable Development Goals – featured prominently in the UNCDF mandate. UNCDF was the only United Nations organization focused on the least developed countries (LDCs), for which it had unique capacities, notably pro-poor financing. The Fund worked in places where other sources of external finance were unavailable, building local partners' capacities and fostering environments for private sector activities, especially subnationally.

46. Delegations recognized significant UNCDF progress towards its strategic goals, and continued relevance and value to stakeholders, as recent evaluation results acknowledged. They welcomed the proposed changes to the integrated results and resources framework in the midterm review, especially those reinforcing the Fund's reporting on gender. They looked forward to more details of the Fund's long-term impact in future reports. They especially commended UNCDF for its innovative financial approaches to drive development of new solutions. There was also a call for the Fund to expand its work to all LDCs.

47. Delegations were concerned with the core-funding fall, which could jeopardize UNCDF achievements, force it to limit the number of LDCs where it worked, and undermine its mandate. Affirming that UNCDF was already 'fit-for-purpose' to deliver on the 2030 Agenda, delegations urged UNCDF to maximize its resource mobilization efforts and fully use its funding windows and the Last Mile Finance Trust Fund, while securing reliable unearmarked funding and expanding if necessary into 'frontier finance'. They called on the Fund to devise a strategy in the next strategic framework on how to remain effective and relevant in the event of a core-funding shortfall. Contributing Board members encouraged countries to step up their contributions.

48. In response, the Executive Secretary, UNCDF, reassured Board members that the Fund was making every effort to improve its financial situation, including via new partnerships and financial instruments that devised new solutions for LDC financing gaps. She noted that the UNCDF evaluation unit, although small, had undertaken 25 evaluations since 2010, aimed at measuring immediate and longer-term impact, the lessons of which had fed into the strategic framework. UNCDF sought to conduct more thematic evaluations, although funding could be an impediment.

49. The Director, Financial Inclusion Practice, UNCDF, highlighted that the Fund had developed the Making Access Possible (MAP) diagnostic and programmatic framework to address women's economic empowerment through financial inclusion. Through MAP, UNCDF sought to grow disaggregated data that helped governments inform their financial inclusion strategies for women. In future, the Fund hoped to leverage that data to become an even more powerful tool for women's empowerment.

50. The Director, Local Development Finance Practice, UNCDF, highlighted that the Fund had developed the joint global programme, Inclusive and Equitable Local Development, with UNDP and UN-Women, which unlocked structural barriers in local economies that held women back, and mobilized public and private investment for projects and investments that overcame barriers and whose impact on women's economic empowerment could be measured.

51. The Executive Board adopted decision 2016/7: UNCDF: Integrated annual report on results for the 2015 and midterm review of the strategic framework, 2014-2017.

IX. United Nations Volunteers

52. The Associate Administrator, UNDP, presented the United Nations Volunteers: Report of the Administrator (DP/2016/15), followed by a statement by the Executive Coordinator, United Nations Volunteers (UNV).

53. Board members welcomed the results-orientated biennial report 2014-2015, expressing appreciation to UN-Volunteers and United Nations online volunteers, which UNV mobilized, for their outstanding contributions to peace and development. They viewed UNV as a strong partner for the United Nations system that drove: innovation in volunteerism, partnership-building, and South-South cooperation, thanks in part to ever increasing numbers of volunteers from the South. Delegations welcomed the continued investment in online volunteer mobilization and the rise in financial investments in joint programmes. They were pleased with UNV progress in broadening the knowledge base of volunteerism's value through its support to studies and engagement with research institutions. They acknowledged that implementing the plan of action on volunteerism, approved by the General Assembly, was a major opportunity for building transformational partnerships to deliver solutions, and welcomed the UNV initiative to consult regularly with Member States.

54. Board members encouraged UNV to increase support to countries to domestically mobilize volunteers through national and regional schemes. They encouraged UNV to step up

dissemination of UN-Volunteer openings, especially for youth of the South, and to continue to broaden volunteer opportunities and increase the number of volunteers from the South. They encouraged UN-Volunteers to use volunteerism as an avenue for civic engagement and mobilization of volunteerism for development at national level. Delegations expressed strong support for UN-Volunteers work in crisis and conflict, where they provided critical operational capacity, often working in difficult settings. They were concerned with the downward trend in funding and encouraged delegations to consider financially supporting UNV, notably through the Special Voluntary Fund. UNV, it was noted, had to maintain a healthy balance between volunteer mobilization and management, advocacy and support to country-led volunteer schemes to ensure its continued strong performance in the face of decreasing funds.

55. Delegations appreciated the mid-term review of the UNV strategic framework, and its broad overview of current UNV operations worldwide. They welcomed the strategic reorientation, innovation focus, internal alignment and strengthened results-based management, while commending UNV for meeting or exceeding two thirds of its outcome/output indicators. The reorientation made UNV a more strategic partner and client-focused organization. They noted adjusting to Agenda 2030 was critical and they welcomed that the UNV strategic transformation would continue as it developed the next strategic framework, 2018-2021.

56. In response, the Executive Coordinator, UNV, thanked delegations for recognizing the value of UN-Volunteers, volunteerism, UNV and its efforts to realign for greater strategic focus. He supported the idea of continuing to broaden volunteer opportunities, increase the number of volunteers from the South, and step up support to national and regional volunteer schemes to mobilize volunteerism. As a client-focused, common service, UNV sought to strengthen partnerships throughout the United Nations system. He welcomed the call to raise core funding and noted that the Special Voluntary Fund and the strategic framework were funded and owned by all Member States. He acknowledged Board feedback that UNV had demonstrated it was a responsive, proactive and results-focused partner. He welcomed the recognition that, with UN-Volunteers representing one third of international civilian capacity in peacekeeping missions, the United Nations could not deploy and Security Council mandates could not be delivered without UNV.

57. The Executive Board adopted decision 2016/8 on UNV: Report of the Administrator.

UNFPA segment

X. Statement by the Executive Director and annual report of the Executive Director

58. The UNFPA Executive Director, in his statement to the Executive Board (available on the UNFPA website), drew attention to the importance of the midterm review of the UNFPA strategic plan and integrated budget, 2014-2017, within the context of 2030 Agenda implementation. The review proposed minor adjustments, changes in available resources, and better alignment with the 2030 Agenda to better respond to the changing development and humanitarian environment. The review reconfirmed the relevance of the Fund's focus on its strategic direction (the 'bull's eye') and its business model. Recent global agreements, such as the International Conference on Population and Development (ICPD) Beyond 2014 programme of action and the Addis Ababa action agenda, had strategically positioned UNFPA, but financial resources had fallen, along with regular resource funding. UNFPA had maintained the proportion of resources for development activities in the revised budget, despite having to implement austerity measures. The Fund engaged with partners in all sectors, including non-traditional donors, to raise additional funds.

59. UNFPA worked to maintain the humanitarian-development continuum so that root causes, such as poverty and inequality, were tackled and embedded in the Sendai Framework for Disaster Risk Reduction and the Paris agreement on climate change. In doing so, UNFPA placed women and girls at the heart of the solution to mitigate and halt future crises. Underscoring the Fund's participation in the 2016 World Humanitarian Summit, he touched on its life-saving work amid disaster and conflict in the Syrian Arab Republic, Iraq, Nepal and Nigeria, in addition to combatting the Zika virus. He encouraged Governments to endorse the Joint Statement on Sexual and Reproductive Health in Emergencies and to support the Compact for Young People in Humanitarian Action.

60. The Executive Director pointed to the Fund's steady progress implementing its strategic plan and improving organizational effectiveness and efficiency, and its success in helping Governments to embed sexual and reproductive health issues into national planning and budgets. He highlighted the Fund's role in advocating for the integration of adolescent and youth priorities in development frameworks; helping to nurture and capitalize on the demographic dividend was one key aspect. The still untapped potential of data to drive achievement of the 2030 Agenda was a major impetus of the Fund's work for evidence-driven development and national capacity building to produce, analyse and disseminate population-related data.

61. The Executive Director stressed UNFPA commitment to effective oversight; it had expanded evaluation activities, reinstated the original allocation to the Evaluation Office budget, along with greater investment in the Office of Audit and Investigation Services, and aimed to address 'unsatisfactory' country office audits. He highlighted its commitment to nurturing a corporate ethics culture by raising awareness, especially at regional and country levels, and providing managerial training. Given the financial landscape, the Fund was undertaking an organizational efficiency and effective review, and would seek Board guidance once completed. In closing, he reiterated the importance of regular resources to ensure UNFPA could deliver on its mandate.

62. As part of his annual report, the Executive Director presented the integrated progress and midterm review report on the implementation of the UNFPA strategic plan, 2014-2017 (DP/FPA/2016/2, Part I); the statistical and financial review (DP/FPA/2016/2, Part I, Add.1); the report on the recommendations of the Joint Inspection Unit in 2015 (DP/FPA/2016/2, Part II); the midterm review of the UNFPA integrated budget, 2014-2017 (DP/FPA/2016/3); and the report of the Advisory Committee on Administrative and Budgetary Questions on the midterm review of the UNFPA integrated budget, 2014-2017 (DP/FPA/2016/4).

63. Board members welcomed the midterm review and the Fund's steps to realign its strategic plan and integrated budget, 2014-2017, to the 2030 Agenda and the quadrennial comprehensive policy review 2016, while adjusting to new funding trends. They expressed confidence that the revised strategic plan positioned the Fund well to deliver on its mandate. They reiterated strong support for its sexual and reproductive health and reproductive rights mandate, focused on the four outcomes of the strategic plan. Strongly supporting continued emphasis on building national capacity, advocacy and technical support for sexual and reproductive health, they expressed appreciation for the clarity and balance of the annual report, the increased levels of organizational effectiveness and efficiency, depth of analysis, and better approach to results-based management. Delegations stated the Fund was central in efforts to strengthen ICPD-related data management for better planning, monitoring and evaluation against the Goals and for national-level decision-making.

64. Delegations welcomed the Fund's strong focus on adolescents and youth, and stated it should continue to play a strong role in supporting the demographic dividend through a coordinated United Nations effort. They stressed the need to accelerate progress in certain areas, notably capacity building for the human rights-based approach in the design and implementation

of national-level policies, and its role in helping to build national capacity for data collection in ICPD-related areas. They expected UNFPA to lead efforts in areas crucial to achieving universal access to sexual and reproductive health by 2030. They expressed concern that policies designed at headquarters were not adequately reflected in country-level implementation. Some delegations were keen on the Fund's involvement in Family Planning 2020 and the related UNFPA supplies programme, calling on donors to participate; others stressed the importance of respecting national ownership, and hoped UNFPA would, within its mandate, leverage its comparative advantages in supporting the least developed countries, under the Istanbul programme of action.

65. While strongly supporting its work in traditional ICPD-related development, Board members urged UNFPA to increase its support in crisis settings. They highlighted the special needs of women and girls in humanitarian situations, and stressed the Fund's sexual and reproductive health-service delivery and work in combatting gender-based violence in crises. They counted on UNFPA to advance the commitments of the World Humanitarian Summit and ensure women and girls were central to humanitarian action, mainstreaming ICPD within the humanitarian response system. Some expressed concern that the emergency fund and the humanitarian response reserve remained underfunded or had been maintained at reduced level. Drawing attention to its strong response to the Ebola virus, delegations encouraged UNFPA to help countries to build sustainable and resilient medical infrastructures and to establish preventive mechanisms to combat the Zika virus.

66. Delegations welcomed the Fund's stronger financial accountability, improved resource utilization, unqualified audit opinion, and full compliance with International Aid Transparency Initiative (IATI) standards. Some encouraged further strengthening of regional structures and risk management tools, and looked forward to the evaluation of the enterprise risk management framework in 2016. Board members stressed the importance of the evaluation and audit functions, and welcomed the proposed increase in funding for corporate evaluations. Delegations commended UNFPA for its progress in implementing the Joint Inspection Unit (JIU) recommendations and recognized its readiness to improve ombudsman services, with the JIU 2016 workplan including a review of UNFPA administrative services delivery and travel policies.

67. Board members again expressed concern about the decline in regular resources, noting its negative impact on the Fund's ability to deliver. Delegations encouraged donors to increase contributions to core resources, and urged UNFPA to actively seek innovative means of funding. Some expressed concern that the 2030 Agenda blurred the lines between donors and programme countries, and could negatively affect programme countries, which were being called on to mobilize domestic resources for national development, since UNFPA financing alone was no longer adequate. They stressed that some Governments were heavily burdened and indebted, and urged UNFPA to use caution when approaching countries for additional financial support through domestic resource mobilization. Several delegations confirmed they would maintain contributions at current levels, while others announced they would increase contributions to regular resources.

68. Board members expressed appreciation for the Fund's engagement in Delivering-as-One. They encouraged UNFPA to expand its involvement in wider United Nations system common approaches, and to work in joint policy teams and on joint programming at country level. Noting that the upcoming quadrennial review could help to better define agency functions in different country contexts and modes of engagement, delegations expressed hope that Member States would devise a better development funding architecture that increased efficiency and effectiveness of the United Nations system, and encouraged UNFPA to continue to improve cooperation and coordination with United Nations system partners.

69. In response, the UNFPA Executive Director, thanked the Board for strongly approving its mandate, especially its humanitarian and demographic dividend work, and reaffirmed that key aspects of its next strategic plan would be fully aligned with the 2030 Agenda and ICPD. UNFPA would replenish its humanitarian reserve going forward to ensure its delivery in crises. On the need to build its human-rights-based capacities, the Fund was working with the Human Rights Commission to achieve results on the ground. UNFPA was building its capacities for ICPD-related data and evidence-gathering, working with Governments. Noting that the Fund was engaged in developing the new quadrennial review, he assured delegations that UNFPA would work with them on their regional needs, while ensuring their participation in formulating the next strategic plan. UNFPA was making every effort to mobilize additional resources, including through its new resource mobilization strategy and new partnerships. Underscoring the importance of regular resource funding, he noted that while the Fund was actively engaged in cost recovery, it required that Member States adhered to their own commitments.

70. The Executive Board adopted decision 2016/9: Midterm review of the UNFPA strategic plan, 2014-2017, and annual report of the Executive Director.

71. The Executive Board adopted decision 2016/10: Midterm review of the UNFPA integrated budget, 2014-2017.

XI. UNFPA country programmes and related matters

72. The UNFPA Deputy Director (Programme) provided an overview of the draft country programme document for South Sudan, 2016-2017, and the first one-year extension of the country programme for the Dominican Republic for 2017. She emphasized the importance of national ownership and the consultative process undertaken with UNFPA support during the preparation of the country programme. Following the overview, the Regional Director for East and Southern Africa presented the draft country programme for South Sudan, 2016-2017, from a regional perspective.

73. Expressing full support for its country programme, one delegation highlighted that the country programme preparation had benefitted from a full participatory approach, and also underscored the importance of data and evidence gathering in developing the programme.

74. The Executive Board approved, in accordance with its decision 2014/7, the country programme document for South Sudan, 2016-2017 (DP/FPA/CPD/SSD/2).

75. The Executive Board took note of the first one-year extension of the country programme for the Dominican Republic for 2017 (DP/FPA/2016/6).

XII. Evaluation

76. The Director, UNFPA Evaluation Office, presented the annual report of the UNFPA Evaluation Office (DP/FPA/2016/5) as well as the thematic evaluation of UNFPA support to population and housing census data to inform decision-making and policy formulation, 2005-2014. The UNFPA Deputy Executive Director (Management) provided the management response to both documents.

77. Board members welcomed the multi-year budgeted evaluation plan, and increased diversity of evaluations at country and regional levels. They appreciated the improved country programme evaluations, and looked forward to a study of lessons learned in 2016. They welcomed efforts to design guidance on conducting programme-level evaluations to ensure decentralized evaluations adhered to the evaluation policy and plan. Welcoming initiatives to disseminate evaluation results and encouraging the Fund to channel lessons learned into programming, they urged UNFPA to incorporate evaluation indicator reporting tools of the

United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women into its own quality assessment system. They welcomed improvements to tracking funds allocated to evaluation, encouraged the Fund to meet its aspirational 3 per cent evaluation budget allocation, and sought a more comprehensive picture of evaluation expenditures.

78. Delegations appreciated the proposed increase in the Evaluation Office budget, while noting the funding reductions for a number of country programme evaluations. They encouraged the Fund to continue to build evaluation capacity, corporately and nationally, and welcomed efforts to improve the consultancy roster. They encouraged the Director and the Evaluation Office to be actively engaged in the United Nations Evaluation Group (UNEG). Independent system-wide evaluations could be useful in monitoring and reporting on the 2030 Agenda, but would require adequate funding. The quadrennial review offered an opportunity to promote system-wide collaboration for evaluations. One delegation requested clarification on the hierarchy of evaluations and how they were chosen.

79. In response, the UNFPA Deputy Executive Director (Management) reiterated UNFPA commitment to the evaluation function while underlining the importance of adequate resources. UNFPA was keen to explore ways in which to ensure evaluations took place while guaranteeing the independence and effectiveness of the function. It was important to balance the need for evaluation with available resources in order to ensure maximum evaluation impact.

80. The Director, UNFPA Evaluation Office, highlighted that the Fund played an active role in UNEG both on topics, such as the professionalization of evaluation, and system-wide and joint evaluation issues. On the 3 per cent funding target, she underlined its aspirational nature but noted that UNFPA had made significant, gradual progress despite austerity measures. The Evaluation Office had achieved a number of efficiency gains that allowed it to undertake more evaluations, while relying more on other resources to fund evaluations, a strategy the Fund would continue to pursue. In relation to decentralized programme evaluations, in line with commitments set out in the quadrennial budgeted evaluation plan, UNFPA intended to diversify the range of evaluations to include not only country programmes but also multi-year interventions. It aimed to ensure evaluations focused on key interventions where there was a need for lessons-learning and accountability; expenditures were to be captured through the global programming system for better reporting. She highlighted that 20 of 22 country programme evaluations for 2016 were underway. Any shortfall was due to the funding situation but UNFPA was engaged in finding a solution. She noted that the revised evaluation policy set out the hierarchy of evaluations, broken down broadly into corporate (thematic, institutional, programme, joint) and programme-level evaluations, including regional and country evaluations. She stressed that the 2030 Agenda set out a role for Member States to undertake national-level evaluations in contribution to national reviews and learning, which UNFPA was mandated to support through the 2013 evaluation policy.

81. The Executive Board adopted decision 2016/11: Annual report of the UNFPA Evaluation Office.

UNOPS segment

XIII. Statement by the Executive Director and annual report of the Executive Director

82. The Executive Director, UNOPS, presenting her annual report 2015 (DP/OPS/2016/2), highlighted UNOPS performance in 2015, when it increased delivery by 16 per cent. She touched on effectiveness improvements, including upgrading the enterprise resource planning system to OneUNOPS and a new information and communications system. UNOPS was building resilience into infrastructure planning and developing an integrated systems approach

for infrastructure. A recent survey indicated that client and partner satisfaction had risen to 82 per cent in 2015. She drew attention to UNOPS delivery successes with partners in infrastructure projects in Afghanistan, Colombia, Haiti, Kosovo and Sudan, and in procurement in Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam, not to mention more than 60,000 trainings. UNOPS was also expanding into hosting services.

83. The Executive Director highlighted that just over half of UNOPS partnerships were with United Nations organizations, especially the Department for Peacekeeping Operations, which included human resource services. UNOPS looked forward to being a regular participating member of United Nations country teams, and worked closely with governments, proposing activities that fell within national development frameworks. She drew attention to UNOPS work in crisis and conflict, working on security, power, logistics and lodging needs of refugees and displaced in the Syrian Arab Republic, and reconstruction projects in the State of Palestine (Gaza). In 2016, UNOPS would release its first annual report aligned to the Global Reporting Initiative, the first United Nations organization to do so. UNOPS was in the midterm review process to align its corporate strategy, 2014-2017, to the 2030 Agenda, which it would present at the second regular session 2016. She stressed the need for the United Nations to explore the potential of private capital for development more actively.

84. Member States expressed appreciation for UNOPS continued strong performance and operational efficiency, effectiveness, transparency and fiscal solidity, and its work in peace-building, humanitarian and development settings, benchmarking its work against international standards. They commended UNOPS work in climate change, disaster risk management and resilience building, and in pursuing innovative solutions, as exemplified by OneUNOPS. They encouraged it to strengthen its operational priorities in its three main focus areas – sustainable project management, sustainable infrastructure construction, and sustainable procurement – while stepping up gender mainstreaming.

85. Delegations welcomed UNOPS increasing operations in low-income and crisis countries, to support government, civil society and United Nations organizations, often in difficult circumstances. They encouraged it to continue to improve services to United Nations organizations, in the coordination spirit of the quadrennial review, while engaging bilaterally and multilaterally with partners such as the World Bank and the Global Fund in implementing the 2030 Agenda and international agreements, including the Samoa Pathway, and through public-private partnerships. They welcomed UNOPS plans to create a fund to allocate seed capital to attract targeted investments to support infrastructure projects, and its private sector partnerships in promoting sustainability and investments. One delegation requested that UNOPS avoid commenting on national peace efforts in the annual report and adhere to its mandate while respecting national ownership. Other delegations pointed to UNOPS as a trusted and reliable partner, characterized by a streamlined flexible structure.

86. In response, the Executive Director, UNOPS, stressed the importance of Board support and directives for improvements. UNOPS was an implementation-focused organization that, because of its self-financed nature, was able to concentrate on partner needs. Flexibility, speed and quality were at its core, while recruitment and procurement made it possible to scale up or down rapidly. Flexibility allowed UNOPS to explore ways to adapt to local requirements. UNOPS sought to live up to Board expectations on developing corporate processes, and was eager to work with the Board on innovative procurement approaches to sustainable development.

87. The Executive Board adopted decision 2016/12: UNOPS: Annual report of the Executive Director.

Joint segment

XIV. Internal audit and oversight

88. The Director, Office of Audit and Investigations, UNDP, presented the report on internal audit and investigations (DP/2016/16); the Director, Bureau of Management, UNDP, provided the management response. The Director, Office of Audit and Investigations Services, UNFPA, presented the report on the UNFPA internal audit and investigations activities in 2015 (DP/FPA/2016/7); the UNFPA Deputy Executive Director (Management) provided the management response. The Director, Internal Audit and Investigations Group, UNOPS, presented the activity report for 2015 of the Internal Audit and Investigations Group (DP/OPS/2016/3); the Deputy Executive Director, UNOPS, provided the management response.

UNDP

89. Board members welcomed in particular the opinion on the adequacy and effectiveness of the UNDP framework of governance, risk management and control, and encouraged the Office of Audit and Investigation (OAI) to include analysis of risks, how management dealt with them, and how they informed the overall opinion. Noting progress, they highlighted that the 'partially satisfactory' audit rating meant UNDP had to do more to address governance and risk shortfalls. They encouraged management to strengthen support to audit and investigations, including allocating timely, sufficient resources to OAI to ensure its mandate. They wished to know if continued resource shortfalls would have an impact on work. They noted the Audit Advisory Committee's comments on the connection between funding sources and OAI independence, and urged management to follow the committee's advice. Welcoming UNDP new risk management mechanisms, they were keen to learn why and how there had been an increase in satisfactory ratings and a decrease in unsatisfactory ratings. Noting the unsatisfactory audit rating for the United Nations Office for South-South Cooperation (UNOSSC) and acknowledging steps taken, delegations urged UNDP to ensure it implemented all audit recommendations. They requested that UNDP keep the Board informed of efforts to address recurring audit issues related to programme, financial and procurement management. They urged UNDP to strengthen both the process for identifying and selecting vendors and staff capacity to monitor procurement contracts, and to ensure procurement cases were submitted to review committees. They were keen to learn of procurement bottlenecks related to the harmonized approach to cash transfers (HACT); while recognizing efforts, delegations sought details on impact. They wished to know about UNDP collaboration with the Global Fund's audit office in efforts to produce audits of UNDP Global Fund funding. They looked forward to reading in future audit reports how UNDP reform of its programming oversight and resource management were progressing. They urged UNDP to prioritize closure of long-standing audit recommendations, and looked forward to learning the reasons for the increase in recommendations not fully implemented. On investigations, delegations requested information on how UNDP and OAI interpreted the increase in the number of investigations, especially new cases. They were concerned that OAI was taking on more cases while its resources dropped, and questioned why only 15 per cent of cases were actually found to include misconduct. They were pleased however that 70 per cent of staff reported to be comfortable reporting misconduct. They looked forward to learning about the UNDP strategy to tackle the high number of cases of procurement fraud, theft and embezzlement, and efforts to recover resources. They stressed the importance of effective fraud protection and response measures, and urged United Nations organizations to intensify efforts to combat fraud system-wide.

UNFPA

90. Board members welcomed in particular the opinion on the adequacy and effectiveness of the UNFPA framework of governance, risk management and control. They encouraged the

Office of Audit and Investigation Services (OAIS) to include analysis of risks, how management dealt with them, and how they informed the overall opinion. They were concerned that a deferral of the audit risk assessment update, owing to resource allocation changes, meant that OAIS could not maintain its planned audit coverage, which exposed the Fund to significant risk. They were pleased that OAIS funding levels were reinstated for 2016 and welcomed the proposed raise for 2017; they urged UNFPA to ensure adequate funding to address contingencies and unanticipated demands. They asked UNFPA to take measures to reduce the 16 per cent OAIS vacancy rate. Noting the 'partially satisfactory' audit rating, delegations encouraged UNFPA to focus on improvements, and implementing long-outstanding recommendations in governance and programme management; they highlighted the recurring recommendations in inventory, procurement and financial management, and in managing implementing partners. Those shortfalls and risks pointed to the need for greater due diligence and financial monitoring. Board members noted the positive move to create an enterprise risk management system, although more work was needed; they urged UNFPA to implement and document mitigation measures for each risk. They welcomed the project to improve the internal control framework, and encouraged UNFPA to ensure all components of the Committee of Sponsoring Organizations of the Treadway Commission were implemented with links to the three lines of defence. Recognizing management's progress in overseeing country offices and better alignment of their capacity with programme delivery, delegations urged the Fund to improve office management plans and strategic frameworks to create stronger links between organizational priorities, programmes and resources. On investigations, they were concerned that OAIS was unable to keep pace with the level of complex, resource-intensive cases, and with demand for advisory services, and urged UNFPA to include those topics in discussions on risk management and allocate sufficient resources. Drawing attention to the Joint Inspection Unit report on fraud, they urged UNFPA and the other United Nations organizations to intensify efforts thereon.

UNOPS

91. Board members welcomed the Internal Audit and Investigations Group (IAIG) risk-based internal audit plan and were pleased with UNOPS responsiveness to audit recommendations, given its overall implementation rate of 98 per cent (2008-2015). They requested information on the increase in internal audit recommendations and the average number of recommendations per audit. They congratulated UNOPS steps to strengthen its risk management programme, and were pleased with the launch of the new enterprise risk planning system. They looked forward to learning of its impact on risk management and internal controls. They commended UNOPS for the number of project audits with a 'satisfactory' rating for internal controls. They urged senior management to ensure the full completion of outstanding recommendations, and sought further improvement in project management, procurement and finance. They were concerned that project management and procurement continued to have the highest rate of recommendations. On investigations, they felt that the significant rise in cases in 2015 was proof of staff confidence in IAIG. They were concerned with the persistent financial irregularities, especially regarding procurement fraud, and urged UNOPS to prioritize implementation of procurement recommendations. They recognized UNOPS efforts to address misconduct and recover costs, including through awareness-raising and training.

92. In response, the Director, Office of Audit and Investigations, UNDP, stressed that OAI: (a) was working to foresee risks in a more systematic manner; (b) had absorbed the 4 per cent budget cut in four years by cutting consultant expenditures and travel, noting that further cuts would be to staff and have an effect on audit coverage; (c) considered that the number of 'unsatisfactory' ratings in governance risk management and controls since 2013 did not constitute a 'trend' but rather a fluctuation; (d) held UNDP management and the business unit management responsible for risks identified in Global Fund audits (or any audit) both corporately and at local level, and worked with the Global Fund to reduce duplication and

clarify roles and responsibilities; (e) viewed the increase in fraud cases in 2015 as the result of greater staff trust and more instances of misconduct; and (f) was working with UNDP to be more vigilant in recovering funds lost in fraud and other financial irregularities.

93. The Chief Finance Office, UNDP, stressed that UNDP: (a) would make every effort to address the 'unsatisfactory ratings', including roots causes, having devised a plan to manage risk based on cost and potential impact; (b) considered that the 'partially satisfactory' rating was given in a high-risk environment area, but that management would ensure a plan and timeline to tackle the issue; (c) sought to 'minimize' risk because eradicating risk was difficult, given the number of high-risk areas; (d) viewed the increase in fraud and investigation cases as an indication of greater staff trust; (e) had re-launched the fraud prevention strategy and would ensure its implementation in all business areas, working with national partners and through best practices; (f) had put together a cross-sectoral task force to address fraud issues in light of best practices; (g) was active in revising HACT and rolling it out, although funding was a key issue; and (h) had made progress in tackling Global Fund sub-recipient issues although inventory remained outstanding because it was dependent on national systems.

94. The Director, Bureau of Management, UNDP, stated that UNDP was: (a) in the process of setting up an organization-wide network of controls throughout its decentralized system; (b) working with UNOSSC to implement all recommendations by end 2016; (c) rolling out, with regard to long-term agreements, the global e-procurement system and making improvements to country office services; and (d) focused on fraud prevention measures because UNDP cost recovery efforts took place within a restrained financial environment.

95. The Director, Office of Audit and Investigations Services, UNFPA, stated that OAIS: (a) had made a conscious decision not to conduct an audit risk assessment in 2015 to allow management time to work on structural changes, and would revisit that in 2016; (b) had taken all possible action to fill OAIS vacancies by end 2016; (c) was making every effort to complete cases in a timely manner; and (d) took the recommendations in the JIU report on fraud seriously.

96. The UNFPA Deputy Executive Director (Management) highlighted that the Fund: (a) was actively working to address the 'partially satisfactory' opinion with business units; (b) had made every effort to increase resource allocation to evaluation, oversight and investigation, and would take necessary steps to meet demands in an emergency situation despite the resource situation; (c) was committed to providing ad hoc support for oversight functions, if it became necessary; (d) would address 80 per cent of long-outstanding recommendations by fourth quarter 2016; and (e) had taken steps to improve management of inventory and implementation partners.

97. The Director, Internal Audit and Investigations Group, UNOPS, stated that IAIG had: (a) considered that the higher number of average audit recommendations were attributable to greater focus on compliance issues in preparation for the launch of the new enterprise resource planning system, as well as specific audit steps required due to the higher number of small grant project audits; (b) focused less on project management and procurement to focus on infrastructure in 2015; (c) emphasized signing memoranda of understanding with donor oversight units to satisfy client requests for information, while respecting the single audit principle of reporting; and (d) conducted two engagements on enterprise resource planning audits related to antifraud and cyber-security in 2015.

98. The Executive Board adopted decision 2016/13: Internal audit and oversight.

XV. Reports of the UNDP, UNFPA and UNOPS ethics offices

99. The Director, Ethics Office, UNDP, presented the activities of the UNDP Ethics Office in 2015 (DP/2016/17) and the Director, Bureau of Management, UNDP, provided the management response. The UNFPA Ethics Advisor presented the UNFPA report of the Ethics Office 2015

(DP/FPA/2016/8) and the UNFPA Deputy Executive Director (Management) provided the management response. The Legal Counsel, UNOPS, presented the activities of the UNOPS Ethics Office in 2015 (DP/OPS/2016/4) as well as the management response.

UNDP

100. Board members commended the Ethics Office for establishing a culture of ethics and integrity. They congratulated its for the innovative and strategic way it handled its heavy workload amid persistent office vacancies. The rising numbers of staff seeking advice was proof of a stronger ethical culture and greater confidence in the office's work, which a recent staff survey confirmed: staff indicated a higher comfort level in reporting misconduct, thanks mainly to the office's awareness-raising campaign and promotion of a speak-up culture supported by senior management to protect 'speaking up' without fear of retaliation. Delegations appreciated the practical training materials the office designed. Noting that many staff sought Ethics Office advice in the wake of UNDP restructuring, delegations urged UNDP to ensure that structural changes were accompanied by better communications to prevent confusion and suspicion. They were concerned that UNDP had found a substantiated case of whistle-blower retaliation and requested details on how the complainant was protected during the investigation and if disciplinary action had been taken against the retaliator. They urged management to promote an ethical working environment, and foster a culture of speaking up without fear of retaliation. UNDP had to ensure all perpetrators of misconduct were held accountable, and disciplinary action taken when appropriate. They encouraged management to implement Ethics Office recommendations, and report regularly on outstanding recommendations.

UNFPA

101. Board members applauded the Ethics Office for resolving problems before they became a reputational risk, and urged senior management to ensure managers had the training and skills to promote a culture of ethics and integrity. They commended the Executive Director for supporting the Ethics Office and setting the tone 'at the top', and encouraged management to foster a speak-up culture without fear of retaliation. They noted the increased requests for Ethics Office services reflected greater awareness and confidence in the office and a stronger corporate ethical culture, thanks in large part to proactive outreach to country offices. While recognizing the financial constraints limiting the Ethics Office's ability to travel, they encouraged it to continue to provide strong support to country offices. They encouraged management to be flexible in managing the office's overall budget so it could fulfil its mandate and provide services to employees. Delegations were concerned that employees with financial and procurement-related authorities were excluded from the financial disclosure programme, which exposed the Fund to risk; they agreed that the Ethics Office should review the policy and programme for financial disclosure. That managers sought to broaden the categories of staff required to participate showed they understood the purpose of the financial disclosure programme. Delegations were concerned with the first confirmed case of whistle-blower retaliation and noted that reporting of the case underscored the critical role played by a strong ethics office. They urged UNFPA to take whistle-blower protection seriously and ensure perpetrators of misconduct were held accountable.

UNOPS

102. Board members applauded the Ethics Office's commitment to informing staff of the purpose, scope and availability of protection against retaliation under the UNOPS ethics policy. Noting the one formal complaint of retaliation in 2015, delegations urged UNOPS to take the issue seriously and management to ensure whistle-blowers were protected from retaliation and perpetrators of misconduct held accountable. The rise in the number of staff seeking advice on employment-related concerns was proof of confidence in the Ethics Office, thanks mainly to the UNOPS speak-up campaign.

103. In response, the Director, Bureau of Management, UNDP, drew attention to the key role of the Ethics Office in linking ethics and accountability. He noted that disciplinary action had been taken on the case in question.

104. The Director, Ethics Office, UNDP, addressing the question on retaliation policy and protective action regarding the case in question, highlighted that the office had expanded its retaliation policy to include service contract holders. The case in question concerned a service contract holder who, when leaving the organization, received poor references that were false, along with defamatory comments by the manager. The manager in question was barred from providing references in the future, and a new system was set up to protect the contract holder from being refused employment elsewhere within the United Nations system.

105. The UNFPA Ethics Advisor pinpointed that the quest to improve the financial disclosure programme so it would be fit-for-purpose did not limit the number of staff included. The aim was to ensure the programme was tailored to the needs of UNFPA and the broader United Nations. She looked forward to presenting updated details on the ethics programme in 2017.

106. The General Counsel, UNOPS, noted that the increased request for advice was largely considered a result of the success of the speak-up programme and greater trust in the Ethics Office. He thanked the Board for its support in developing an aspirational focus for ethics and highlighted the constructive joint work among agency ethics offices.

107. The Executive Board adopted decision 2016/14: Reports of the ethics offices of UNDP, UNFPA and UNOPS.



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2016/4

Midterm review of the UNDP Strategic Plan, 2014-2017 and annual report of the Administrator*The Executive Board*

1. *Recalls* its decisions 2013/11 on the cumulative review and annual report of the Administrator on the UNDP Strategic Plan: performance and results for 2008-2012; 2013/27 on UNDP Strategic Plan 2014-2017; and 2015/7 on the annual report of the Administrator on the implementation of UNDP Strategic Plan 2014-2017;
2. *Takes note* of the midterm review of the UNDP Strategic Plan 2014-2017, including the annual report of the Administrator for 2015 (DP/2016/9), and its annexes;
3. *Welcomes* the alignment of UNDP work with the Strategic Plan 2014-2017 and the results achieved at mid-point;
4. *Welcomes* new analysis of the percentage of country offices achieving their cumulative milestones and requests further reporting in the 2017 annual report of the Administrator on changes in the percentages of country offices meeting or exceeding their cumulative milestones; and also requests UNDP to continue to improve the quality of data, analyses and evaluations used to measure country office performance and the linkages between global-level outcomes and country-level results;
5. *Notes with appreciation* that most gender indicators have exceeded their milestones, urges UNDP to take action and report where results on gender equality fall behind broader results and encourages UNDP to further support gender mainstreaming efforts and the shift towards more transformative interventions;
6. *Concurs* that the vision and expected results of the Strategic Plan 2014-2017 are generally well aligned with the 2030 Agenda for Sustainable Development and the Sustainable Development Goals;
7. *Welcomes* the commitment by UNDP to further bolster its institutional performance through the implementation of a substantial agenda of work in 2016-2017 as described in paragraph 84 of the report of the Administrator on the midterm review of the Strategic Plan, 2014-2017 (DP/2016/9);
8. *Decides* that changes proposed by UNDP in annexes 7 and 8 of the report of the Administrator on the midterm review of the Strategic Plan, 2014-2017 (DP/2016/9) will need further consultations with Member States, including in the context of the preparation of the next strategic plan;
9. *Expresses concern* over the continued downward trend of resources, particularly core resources, which constrains the ability of UNDP to ensure global development effectiveness and to maintain funding for the programme budget;
10. *Requests* UNDP to provide in the next annual report some further analysis on the relationship between financial resources invested and results achieved;
11. *Requests* UNDP to start early preparations for the next strategic plan, in full consultation with the Executive Board, taking fully into account the outcome of the 2016 quadrennial comprehensive policy review of United Nations operational activities for development and lessons learned from the midterm review, and to

present a road map at the 2016 second regular session of the Executive Board for the consultations planned in the preparation of the next strategic plan;

12. *Notes with appreciation* the collaboration with other United Nations funds and programmes during the preparation of the midterm review and encourages further dialogue and engagement during the preparation of the next strategic plan to enhance complementarity, coherence and effectiveness in support of the 2030 Agenda and the Sustainable Development Goals;

13. *Welcomes* the format of the annual report that combines annual progress as well as a cumulative review of the implementation of the strategic plan, requests the Administrator to continue to use this format for the annual report to be presented at the annual session of 2017, and further requests the Administrator to submit the UNDP strategic plan, 2018-2021 at the 2017 second regular session of the Executive Board.

10 June 2016

2016/5

Midterm review of the UNDP integrated budget, 2014-2017

The Executive Board

1. *Takes note* of the midterm review of the institutional component of the integrated budget, 2014-2017;

2. *Takes note* of the report of the Advisory Committee on Administrative and Budgetary Questions on the midterm review of the UNDP integrated budget 2014-2017;

3. *Emphasizes* that the integrated budget consists of both an institutional and a programmatic component, and requests UNDP to ensure that future reporting equally covers both components;

4. *Recalls* Executive Board decision 2013/28, in which the Board noted the need to maintain adequate resource levels of the Office of Audit and Investigation, the Ethics Office, and the Evaluation Office, and requested that budget allocations to them based on their workplans that are approved by or submitted for information to the Executive Board be presented as distinct line items;

5. *Recalls* Executive Board decision 2015/16, which emphasized that regular resources are the bedrock of UNDP and essential to maintaining the multilateral, neutral and universal nature of its mandate and to carry out its work, and in this regard, encourages UNDP to further mobilize these resources while continuing to mobilize other resources to respond to the needs of all programme countries, particularly the poorest and most vulnerable;

6. *Recognizes* that government cost-sharing constitutes a voluntary funding mechanism that strengthens national ownership as well as contributes to the achievement of country programmes and, in that regard, underlines the need to take the special characteristics of government cost-sharing into account when considering mechanisms to incentivize less restricted/earmarked other resources funding, while ensuring the alignment of such resources to the Strategic Plan;

7. *Recalls* Executive Board decision 2013/28 in which the Board approved appropriations from regular resources for the institutional component of the integrated budget, 2014-2017;

8. *Recognizes* that UNDP has incorporated the results-based budgeting approach in its integrated budget, and requests UNDP to provide information on major items of expenditure under post and non-post resources in future reports on the integrated budget, and to improve analysis of variances between expenditures against planning estimates;

9. *Welcomes* the reduction of management costs as a proportion of the institutional component of the integrated budget and encourages continued action to achieve progress on the existing targets in this area;

10. *Acknowledges* progress made by UNDP in cost alignment through implementation of the cost-recovery policy, notes that UNDP should make further progress and encourages UNDP contributors to adhere to the aspects of the cost-recovery policy approved by the Executive Board in decision 2013/9;

11. *Recalls* its decision 2013/9 and looks forward to the findings of the external and independent assessment of the consistency and alignment of the cost-recovery methodology with General Assembly resolution 67/226;

12. *Encourages* UNDP to work with other United Nations system entities to ensure an integrated approach to the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development;

13. *Requests* UNDP in consultation with UNFPA, the United Nations Children's Fund and the United Nations Entity for Gender Equality and Empowerment of Women (UN-Women), as appropriate, to incorporate relevant lessons learned from the integrated budget, 2014-2017, in the preparation of the integrated budget for 2018-2021.

10 June 2016

2016/6

Annual report on evaluation (UNDP)

The Executive Board

1. *Takes note* of the summary (DP/2016/13) and of the full annual report;

2. *Requests* UNDP to address the issues raised;

3. *Looks forward* to reviewing the new UNDP evaluation policy at the next session of the Executive Board;

4. *Notes with concern* the decrease of the budget of the Independent Evaluation Office and urges management to provide sufficient resources consistent with the levels established by the Board in the multi-year budget, and make timely allocations of such resources to the Independent Evaluation Office and decentralized evaluation functions to ensure that they can carry out their work effectively;

5. *Notes* the steps taken by UNDP management to improve the quality of the decentralized evaluation function and urges UNDP management and the Independent Evaluation Office to continue to take steps to strengthen the quality of decentralized

evaluation, including strengthening capacities at regional service centres and country levels, as well as the quality assurance chain throughout the organization;

6. *Requests* UNDP to ensure that future annual reports on evaluation more clearly analyse results and implemented activities with reference to the approved annual workplan of the Independent Evaluation Office;

7. *Approves* the programme of work and budget for the Independent Evaluation Office for 2016 and for 2017 (proposed).

10 June 2016

2016/7

United Nations Capital Development Fund: Integrated annual report on results for 2015 and midterm review of the strategic framework, 2014-2017

The Executive Board

1. *Takes note* of the results achieved by the United Nations Capital Development Fund (UNCDF) in 2015 and the positive position of UNCDF in a changing development finance landscape;

2. *Notes* that the midterm review of its strategic framework, 2014-2017 confirms the continued strong performance of UNCDF against set targets, and in that regard welcomes the revised integrated results and resources matrix;

3. *Recognizes* the strategic positioning of UNCDF in developing innovative programmes and partnerships with the public and private sectors, particularly linked to domestic resource mobilization, in support of poor households, small businesses and underserved regions, and notes the strong relevance of UNCDF innovations and 'last mile' finance models for the implementation of the 2030 Agenda for Sustainable Development, the Addis Ababa Action Plan, the Istanbul Programme of Action and other relevant international agreements;

4. *Recognizes* the four-window funding architecture of UNCDF as an appealing option for other resources (non-core) contributions, as well as the critical role of regular resources;

5. *Expresses* concern that regular resources remain far short of the \$25 million threshold agreed to in the Strategic Framework to ensure the UNCDF presence and innovative financing models in at least 40 least developed countries (LDCs), and notes with concern that as a result, the number of LDCs supported by UNCDF fell from 33 in 2013 to 31 in 2015;

6. *Recommits* to supporting the work of UNCDF over the next two years, including through encouraging Member States to fully fund regular resource requirements;

7. *Recognizes* that a reliable base of regular resources is required, in accordance with the quadrennial comprehensive policy review of the operational activities for development of the United Nations system, to ensure that UNCDF maintains its ability to innovate, so that it can leverage additional resources and enable follow-on investment, including through domestic resource mobilization for local development, and aware of the importance of guaranteeing its presence in up to 40 LDCs as called for in decision 2014/2;

8. *Encourages* UNCDF to continue exploring new ways to raise and use innovative sources of financing, consistent with its mandate to achieve greater development impact for LDCs;

9. *Calls on* Member States in a position to do so to contribute to UNCDF regular resources to ensure that it can reach the target of \$25 million per year in regular resources;

10. *Welcomes* the format of the annual report that combined annual progress as well as a cumulative review of the strategic framework and requests UNCDF to continue to use this format at the annual session of 2017.

10 June 2016

2016/8

United Nations Volunteers: Report of the Administrator

The Executive Board

1. *Takes note* of the results-oriented biennial report of the Administrator (DP/2016/15);

2. *Expresses appreciation* to all UN Volunteers and UN Online Volunteers mobilized by UNV for their outstanding contributions to peace and to development globally during the 2014-2015 biennium, especially the 83 per cent of UN Volunteers from countries of the global South, who represent a significant South-South contribution;

3. *Commends* the United Nations Volunteers programme (UNV) for the midterm results and achievements of its strategic Framework, 2014-2017;

4. *Welcomes* UNV support to programme countries and United Nations organizations in their efforts towards peace and development through the integration of volunteers and volunteerism;

5. *Requests* that UNV build on the progress made in pursuing forward-looking and innovative approaches and partnerships to developing volunteer solutions for sustainable development challenges in the 2030 Agenda for Sustainable Development, including collaboration with partners such as academia, civil society, the private sector and others;

6. *Commends* UNV for its active involvement in the development of the 2030 Agenda and in particular welcome the role of UNV in the implementation of the plan of action to integrate volunteering into peace and development policies and programmes for the next decade and beyond, in line with General Assembly resolution 70/129 of 17 December 2015;

7. *Requests* UNV to consult regularly with Member States and relevant partners, at a regular informal consultation of the Executive Board, on the plan of action to ensure that the efforts of multiple stakeholders are leveraged for more people to use volunteerism as a vehicle to engage in implementing the Sustainable Development Goals;

8. *Welcomes* the UNV approach at midterm of maintaining an ambitious approach to strategic targets, noting that although full achievement across all result targets represents a significant challenge, these elevated targets continue to strategically orient UNV and are critical to both the development impact and financial sustainability of UNV in the long term;

9. *Notes* the UNV midterm financial analysis and results for 2014-2015, specifically the importance of regular resources, provided by Members States to UNV through UNDP, to the UNV operational base to deliver its core mandate;

10. *Reaffirms* the crucial role of the Special Voluntary Fund as an indispensable component of UNV resources, providing seed funding for innovative projects, and call upon all development partners in a position to do so to contribute to the Fund.

10 June 2016

2016/9

Midterm review of the UNFPA Strategic Plan, 2014-2017 and annual report of the Executive Director

The Executive Board

1. *Takes note* of the three documents that make up the report of the Executive Director (DP/FPA/2016/2), including the relevant annexes available on the UNFPA website;
2. *Welcomes* the findings, as contained in the report and in the revised integrated results framework (annex 1 to the present report), as important steps in aligning the UNFPA strategic plan, 2014-2017, to the ICPD Beyond 2014 and the 2030 Agenda for Sustainable Development;
3. *Welcomes* the progress achieved during 2014-2015 in implementing the UNFPA strategic plan, while recognizing the challenges for its further implementation, and also welcomes the commitment of management to maintaining the strategic focus of the organization;
4. *Approves* the revised integrated results framework of the Strategic Plan, 2014-2017 (DP/FPA/2016/2, Part I, Annex 1) and subsequent revisions of the Global and Regional Interventions, and encourages all countries to assist UNFPA in reaching the total figure for regular and other resources for the remainder of the strategic plan period, including through multi-year pledges;
5. *Notes with appreciation* the reporting on results and performance analysis in the annual report of the Executive Director, and requests UNFPA to provide further information on lessons learned and actions to improve programming;
6. *Stresses* the importance of regular resources for the effective implementation of the strategic plan, and encourages countries to increase their contributions to the regular resources of UNFPA;
7. *Requests* UNFPA to start early preparations for the next strategic plan, in full consultation with the Executive Board, taking fully into account the outcome of the 2016 quadrennial comprehensive policy review of United Nations operational activities for development and lessons learned from the midterm review, and to present a road map at the 2016 second regular session of the Executive Board for the consultations planned in the preparation of the next strategic plan;
8. *Notes with appreciation* the collaboration with other United Nations funds and programmes during the preparation of the midterm review, and encourages further dialogue and engagement during the preparation of the next strategic plan, to enhance complementarity, coherence and effectiveness in support of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals;

9. *Welcomes* the format of the annual report that combines annual progress as well as cumulative review of the implementation of the strategic plan, and *requests* the Executive Director to continue to use this format for the annual report, to be presented at the annual session of 2017, and further requests the Executive Director to submit the UNFPA strategic plan, 2018-2021, at the 2017 second regular session of the Executive Board.

10 June 2016

2016/10

Midterm review of the UNFPA integrated budget, 2014-2017

The Executive Board

1. *Takes note* of the midterm review of the UNFPA integrated budget, 2014-2017 (DP/FPA/2016/3), submitted in conjunction with the midterm review of the UNFPA strategic plan, 2014-2017 (DP/FPA/2016/2);
2. *Also takes note* of the Report of the Advisory Committee on Administrative and Budgetary Questions on the midterm review of the UNFPA integrated budget, 2014-2017 (DP/FPA/2016/4);
3. *Acknowledges* the organization's containment of costs, in light of revised revenue projections, as evidenced by the revised lower appropriations requested for institutional budget and global and regional interventions;
4. *Welcomes* UNFPA efforts to align costs with the harmonized cost classification framework approved by the Executive Board, thereby presenting a budget that more accurately reflects the activities performed within the organization;
5. *Recognizes* that UNFPA has incorporated the results-based budgeting approach in its integrated budget, and requests UNFPA to improve analysis of variances between expenditures against planning estimates;
6. *Takes note* of the information on cost recovery contained in the report, and *urges* UNFPA and its contributors to fully adhere to the cost recovery policy approved by the Executive Board in decision 2013/9, including the recovery of indirect costs and charging direct costs arising from the implementation of projects and programmes funded from other resources;
7. *Recalls* its decision 2013/9, and looks forward to the findings of the external and independent assessment of the consistency and alignment of the cost recovery methodology with General assembly resolution 67/226;
8. *Requests* UNFPA, in consultation with UNDP, UNICEF and UN-Women, as appropriate, to incorporate relevant lessons learned from the integrated budget, 2014-2017, in the preparation of the integrated budget for 2018-2021;
9. *Takes note* of the assessment of ways to enhance results-based budgeting in the preparation of the next proposed integrated budget, for 2018-2021;
10. *Approves* the revised gross estimates for the institutional budget 2014-2017 in the amount of \$609.9 million, and notes that these estimates include \$150.4 million for cost recovery from other resources;
11. *Recalls* its decision 2015/3 on scaling up UNFPA humanitarian response funding, stresses the importance of the funding arrangements contained therein, and looks forward to the UNFPA report on its humanitarian response funding at the first regular session 2017.
12. *Approves* the revised estimates for global and regional interventions 2014-2017 in the amount of \$231.5 million;

13. *Decides* that the appropriated amount should be used to achieve the results of the strategic plan that are linked to those resources;

14. *Encourages* UNFPA to work with other United Nations system entities to ensure an integrated approach to the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

10 June 2016

2016/11

Annual report of the UNFPA Evaluation Office

The Executive Board

Part A: Annual report on evaluation for 2015

1. *Takes note* of the present report on the evaluation function at UNFPA (DP/FPA/2016/5), including the Evaluation Office workplan for 2016 (annex I), and the management response to the report;

2. *Reaffirms* the role played by the evaluation function in UNFPA, and the relevance of the principles set out in the revised evaluation policy (DP/FPA/2013/5), and reiterates the importance of adequate resource allocations for evaluation, including from other resources for noncore-funded programmes;

3. *Welcomes* the improvements in the quality of decentralized evaluations, and *encourages* UNFPA to continue to strengthen capacities and to allocate adequate resources, as appropriate, for decentralized monitoring and evaluation;

4. *Takes note* of the progress in the implementation of the recommendations presented in the 2015 report, and encourages UNFPA to take further action to ensure their full implementation;

5. *Requests* the Evaluation Office to report in 2017 on the state of the evaluation function at UNFPA.

Part B: Thematic evaluation of UNFPA support to population and housing census data to inform decision-making and policy formulation 2005-2014

6. *Takes note* of the thematic evaluation of UNFPA support to population and housing census data to inform decision-making and policy formulation, 2005-2014, and the management response to the report;

7. *Welcomes* the findings and conclusions of the thematic evaluation, especially the recognition of the important role of UNFPA in supporting census within the United Nations system and with national statistics offices, and the significant contribution that UNFPA support provided to the 2010 census round;

7. *Recognizes* the importance of the work of UNFPA in supporting countries to undertake the 2020 round of census and to build the capacity to generate and use such data, as well as civil registration and vital data for the achievement of the Sustainable Development Goals, and stresses the need for countries and other partners to extend the necessary support to position the organization in this regard;

8. *Notes* that a number of strategic issues raised in the report require continued attention and follow-up by management, and welcomes the fact that UNFPA management has already implemented a number of the recommendations set forth in the report;

9. *Requests* UNFPA to fully take into account the recommendations of the thematic evaluation in its strategic and operational response, and to include an update on progress at the annual session 2017.

10 June 2016

2016/12

United Nations Office for Project Services: Annual report of the Executive Director

The Executive Board

1. *Welcomes* the annual report of the Executive Director and appreciates the value added brought by UNOPS to partners, as an innovative, cost-effective and forward-leaning organization;
2. *Takes note with appreciation* of the successful implementation of the 'oneUNOPS' enterprise resource planning system as well as the attendant incorporation of management of personnel benefits and entitlements, treasury operations and investment of cash and other liquid instruments based on recommendations of the Investment Committee;
3. *Encourages* UNOPS to continue its efforts to facilitate partnerships between the public and private sectors in the realm of sustainable social impact investments, with strong emphasis on the mandated areas of UNOPS such as infrastructure development, procurement and project management, and in this context, welcomes the intention of UNOPS to make appropriate corporate structural adjustments with a view to mitigating potential reputational risks and financial liabilities, and in line with relevant best practices and international standards on governance and transparency;
4. *Notes* the healthy financial position of UNOPS and supports the creation of a seed capital fund aimed at utilizing a portion of UNOPS operational reserves to make targeted contributions to early-stage investment projects in UNOPS mandated areas, with a view to leveraging high-impact transformational initiatives in countries with a United Nations field presence, in collaboration with like-minded donors and investors and fully in line with the strategic priorities of the respective Governments and the United Nations coherence agenda.

10 June 2016

2016/13

Internal audit and oversight

The Executive Board

1. *Welcomes* the progress of UNDP, UNFPA and UNOPS in addressing audit-related management issues in 2014;
2. *Notes with appreciation* efforts to implement outstanding audit recommendations from previous reports;
3. *Welcomes* the inclusion of a limited audit opinion on the adequacy and effectiveness of the organizations' frameworks of governance, risk management and control systems in the annual reports of the respective internal audit functions;

4. *Notes the partially satisfactory ratings for UNDP, UNFPA and UNOPS, requests the respective internal audit functions to include a rationale supporting their opinion in future reporting, and urges management of each agency to continue and intensify efforts to strengthen the functioning of their governance, risk management and control frameworks;*
5. *Notes with concern that the audits of UNDP and UNFPA flag a number of areas of recurring weaknesses, including on programme management, procurement, governance and financial management, appreciates information provided by management on efforts to address these weaknesses, and urges management to continue and intensify efforts to address these issues and provide further information on the impact of the measures they have taken.*

With regard to UNDP:

6. *Takes note of the report on internal audit and investigations (DP/2016/16), its annexes, and the management response;*
 7. *Expresses its continuing support for strengthening the internal audit and investigation functions of UNDP;*
 8. *Notes with concern the low levels of defrauded funds reported in investigations as recovered, welcomes efforts to identify the obstacles that are hindering recovery, urges UNDP to do all it can to ensure timely recovery of defrauded funds, welcomes the organization's work on anti-fraud systems and processes, and urges UNDP to prioritize this work;*
 9. *Notes with concern that procurement continues to be a recurring audit issue and accounts for nearly one third of complaints received by the investigations unit, and urges UNDP to address this as a matter of priority and inform the Board on all progress made;*
 10. *Takes note of the annual report of the Audit Advisory Committee, and the management response thereto;*
 11. *Notes with appreciation the increased organizational transparency generated by the systematic disclosure of UNDP internal audit, as per the UNDP policies for the disclosure of audit reports issued by the Office of Audit and Investigation, in accordance with decision 2012/18 of the Executive Board;*
 12. *Notes the number of unsatisfactory rating reports of UNDP internal audits,* welcomes the steps already taken by UNDP, concerned UNDP country offices and the United Nations Office of South-South Cooperation to fully implement all recommendations contained in all unsatisfactory ratings reports, taking into account the need to clarify management relationships and reporting lines, and ways of improving transparency, accountability, effectiveness and efficiency, and looks forward to an update at the next annual session 2017.*
- * UNDP Office of Audit and Investigation, at website: <audit-public-disclosure.undp.org>.

With regard to UNFPA:

13. *Takes note of the report on internal audit and investigation activities in 2015 (DP/FPA/2016/7), including its annexes, the annual report of the Audit Advisory Committee (DP/FPA/2016/7/Add.1), and the management response to the two reports (DP/FPA/2016/CRP.2);*

14. *Expresses* its continuing support for the strengthening of the audit and investigation functions at UNFPA, and for the provision of appropriate and sufficient resources to discharge their mandate;

15. *Notes with concern* the complaints of pharmaceutical product diversion, and urges UNFPA to continue its efforts to strengthen accountability, including through oversight of inventory management and implementing partners, and to report to the Board on these efforts in future sessions;

16. *Notes* the progress made to establish an enterprise risk management system, and urges UNFPA to further strengthen risk management processes by ensuring that risk mitigation actions are defined and implemented in a timely manner;

17. *Acknowledges and supports* the engagement of the Office of Audit and Investigation Services in joint audit and investigation activities.

With regard to UNOPS:

18. *Takes note* of the annual report of the Internal Audit and Investigations Group for 2015 and the management response thereto;

19. *Takes note* of the progress made in implementation of audit recommendations, including those that are more than 18 months old;

20. *Takes note* of the annual report of the Audit Advisory Committee for 2015 (in line with Executive Board decision 2008/37);

21. *Notes with concern* that project management and procurement continue to be two of the functional areas with the highest rates of recommendations issued, and urges UNOPS to address this as a matter of priority;

22. *Also notes with concern* the persistent evidence of financial irregularities, particularly with regard to procurement fraud, and urges UNOPS to continue efforts to deter, detect and prevent fraud and to strengthen efforts to recuperate all financial losses.

10 June 2016

2016/14

Reports of the ethics offices of UNDP, UNFPA and UNOPS

The Executive Board

1. *Welcomes* the reports of the ethics offices of UNDP, UNFPA and UNOPS (DP/2016/17, DP/FPA/2016/8 and DP/OPS/2016/4);

2. *Also welcomes* efforts by UNDP, UNFPA, and UNOPS to promote a speak-up culture;

3. *Notes* the progress made by the UNDP, UNFPA, and UNOPS ethics offices and the role of their recommendations to management in strengthening the ethical culture, including training and innovative methods, to raise ethics awareness and protection against retaliation;

4. *Expresses concern* regarding instances of whistleblower retaliation, and *notes* that both UNDP and UNFPA had one confirmed case each of retaliation;

5. *Requests* the annual ethics office reports of all organizations to include, when substantiated cases of whistleblower retaliation are found, information regarding steps taken to protect complainants from further retaliation during the investigation and remedies provided to victims of proven retaliation;

6. *Encourages* management to hold all found responsible for misconduct accountable and encourages management to include data in the annual report on disciplinary and/or administrative action taken, including for those who engaged in retaliation;

7. *Urges* senior management to ensure that all managers, both current and future, have the necessary training and conflict resolution skills to promote a culture of ethics and integrity and the management skills to proactively respond to workplace disputes;

8. *Recognizes* that in-person training and advice is critical to enabling the ethics offices to fulfill their mandates and provide protection from retaliation, and *welcomes* the innovative programmes undertaken in order to provide remote services at a reduced cost;

9. *Recognizes* the reduction in core resources, and *urges* management to continue exercising flexibility over the ethics office budgets to ensure they can continue to provide independent and effective in-person services;

10. *Encourages* the ethics offices of UNDP, UNFPA and UNOPS to continue to provide management with advice and recommendations; and *urges* management to continue to work together with the ethics offices to implement the recommendations and to report to the Board on implementation of these recommendations and outstanding recommendations from previous years.

10 June 2016

2016/15

Overview of decisions adopted by the Executive Board at its annual session 2016

The Executive Board

Recalls that during its annual session 2016, it:

Item 1

Organizational matters

Adopted the agenda and approved the workplan for its annual session 2016 (DP/2016/L.2);

Approved the report of the first regular session 2016 (DP/2016/7);

Approved the tentative workplan for the second regular session 2016.

UNDP segment

Item 2

Annual report of the Administrator

Adopted decision 2016/4 on the midterm review of the UNDP Strategic Plan, 2014-2017 and annual report of the Administrator (DP/2016/9, DP/2016/9/Add.1 and DP/2016/9/Add.2).

Item 3

Financial, budgetary and administrative matters

Adopted decision 2016/5 on the midterm review of the UNDP integrated budget, 2014-2017 (DP/2016/10) and the report of the Advisory Committee on Administrative and Budgetary Questions.

Item 4
Gender in UNDP

Was presented with the annual report of the Administrator on the implementation of the UNDP gender equality strategy in 2015 (DP/2016/11).

Item 5
Human Development Report

Took note of the update on the Human Development Report consultations.

Item 6
UNDP country programmes and related matters

Approved the following country programmes in accordance with decision 2014/7:

Africa: Mauritius (DP/DCP/MUS/4) and South Sudan (DP/DCP/SSD/2);

Took note of the extensions of the country programmes for Burundi, Cape Verde, Central African Republic, Gabon and Mauritania, already approved by the Administrator (DP/2016/12);

Approved the second one-year extensions of the country programmes for Burkina Faso and Yemen and the two-year extension of the country programme for Senegal (DP/2016/12).

Item 7
Evaluation

Adopted decision 2016/6 on the annual report on evaluation (DP/2016/13) and management response.

Item 8
United Nations Capital Development Fund

Adopted decision 2016/7 on the United Nations Capital Development Fund: Integrated annual report on results for 2015 and midterm review of the strategic framework, 2014-2017 (DP/2016/14).

Item 9
United Nations Volunteers

Adopted decision 2016/8 on United Nations Volunteers: Report of the Administrator (DP/2016/15).

UNFPA segment

Item 10
Annual report of the Executive Director

Adopted decision 2016/9 on the midterm review of the UNFPA Strategic Plan, 2014-2017 and annual report of the Executive Director [DP/FPA/2016/2 (Part I)].

Adopted decision 2016/10 on the midterm review of the UNFPA integrated budget, 2014-2017 (DP/FPA/2016/3).

Item 11**UNFPA country programmes and related matters**

Approved the following country programme in accordance with decision 2014/7:

South Sudan (DP/FPA/CPD/SSD/2).

Item 12**Evaluation**

Adopted decision 2016/11 on the annual report of the UNFPA Evaluation Office (DP/FPA/2016/5) and the thematic evaluation of UNFPA support to population and housing census data to inform decision-making and policy formulation, 2005-2014.

UNOPS segment**Item 13****Annual report of the Executive Director**

Adopted decision 2016/12 on United Nations Office for Project Services: Annual report of the Executive Director (DP/OPS/2016/2).

Joint segment**Item 14****Internal audit and oversight**

Adopted decision 2016/13 on internal audit and oversight, which included the UNDP report on internal audit and investigations (DP/2016/16), the UNFPA report on internal audit and investigation activities in 2015 (DP/FPA/2016/7), and the UNOPS report of the Internal Audit and Investigations Group for 2015 (DP/OPS/2016/3).

Item 15**Reports of UNDP, UNFPA and UNOPS Ethics Offices**

Adopted decision 2016/14 on the reports of the ethics offices of UNDP, UNFPA and UNOPS (DP/2016/17, DP/FPA/2016/8 and DP/OPS/2016/4).

Also held the following special events, briefings and informal consultations:

UNFPA

Special event: Thirteenth Rafael M. Salas Memorial Lecture, given by H.E. Mr. Jakaya Kikwete, former President of the United Republic of Tanzania, on 6 June 2016.

UNDP, UNFPA and UNOPS

Executive Board briefing on the implementation of the 2030 Agenda for Sustainable Development.

10 June 2016

**TENTATIVE WORKPLAN
EXECUTIVE BOARD OF UNDP, UNFPA and UNOPS
SECOND REGULAR SESSION 2016
(6 – 9 September 2016, New York)**

<i>Day/date</i>	<i>Time</i>	<i>Item</i>	<i>Subject</i>
Tuesday, 6 September	10 a.m. – 1 p.m.	1	ORGANIZATIONAL MATTERS • Adoption of the agenda and workplan for the session • Adoption of the report of the annual session 2016 UNFPA segment STATEMENT BY THE EXECUTIVE DIRECTOR
		6	STRUCTURED FUNDING DIALOGUE: Implementation of the QCPR
	3 – 4:30 p.m.	7	UNFPA segment (cont'd) FUNDING COMMITMENTS TO UNFPA • Report on contributions by Member States and others to UNFPA and revenue projections for 2016 and future years
	4:30 – 5:30 p.m.	8	UNFPA segment (cont'd) EVALUATION • Thematic evaluation of UNFPA support to family planning (2008-2013)
	5:30 – 6 p.m.		<i>Informal consultations on draft decisions</i>
Wednesday, 7 September	10 a.m. – 1 p.m.	5	UNFPA segment (cont'd) UNFPA COUNTRY PROGRAMMES AND RELATED MATTERS • Presentation and approval of country programme documents • Extensions of country programmes
	1:15 – 2:45 p.m.		<i>Executive Board briefing on the implementation of the 2030 Agenda for Sustainable Development</i>
	3 – 5 p.m.	9	UNOPS segment STATEMENT BY THE EXECUTIVE DIRECTOR • Midterm review of the UNOPS strategic plan • Annual statistical report on the procurement activities of United Nations system organizations, 2015
	5 – 6 p.m.		<i>Informal consultations on draft decisions</i>
Thursday, 8 September	10 a.m. – 1 p.m.	2	UNDP segment STATEMENT BY THE ADMINISTRATOR STRUCTURED FUNDING DIALOGUE • Annual review of the financial situation, 2015 • Detailed information relating to the annual review of the financial situation, 2015 • Status of regular funding commitments to UNDP and its funds and programmes for 2016 and onwards

	3 – 5:45 p.m.	3	UNDP segment (cont'd) UNDP COUNTRY PROGRAMMES AND RELATED MATTERS • Presentation and approval of country programme documents • Extensions of country programmes
	5:45 – 6 p.m.		<i>Informal consultations on draft decisions</i>
Friday, 9 September	10 a.m. – 12 p.m.	4	UNDP segment (cont'd) EVALUATION • UNDP evaluation policy • Evaluation of the UNDP contribution to anti-corruption and public integrity strategies and management response • Report on the implementation of recommendations of the evaluation of the UNDP contribution to poverty reduction
	12 - 1 p.m.	10	Joint segment FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS • Report of UNDP, UNFPA and UNOPS on joint procurement activities
	3 - 6 p.m.	11	FOLLOW-UP TO UNAIDS PROGRAMME COORDINATING BOARD MEETING • Report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS
		12	FIELD VISITS • Report on the Executive Board field visit to Guinea • Report on the joint field visit to Kyrgyzstan
		13	OTHER MATTERS • Address by the Chairperson of the UNDP/UNFPA/UNOPS/ UN-Women Staff Council • Adoption of pending decisions
		1	ORGANIZATIONAL MATTERS • Draft annual workplan of the Executive Board for 2017 • Tentative workplan for the first regular session 2017